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ON PAGE A1.~~WASHINGTON POST
24 August 1986

Ghana Mixes Capitalism, Radical Foreign Policy

Upset, U.S. Threatens to Cut Aid Program

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Washington Post Foreign Service

ACCRA, Ghana—This west African country has an economic policy so staunchly capitalist that it could have been devised by Ronald Reagan. At the same time, Ghana goes out of its way to cozy up to the likes of Nicaragua's Daniel Ortega, Cuba's Fidel Castro and Libya's Moammar Gadhafi.

So what's a capitalist, anticommunist, terrorist-wary superpower to do? In the past two years, the U.S. government's approach to this split-personality nation has been to praise its economic changes and to spy on it, promise it \$23 million in aid and then refuse to deliver one-third of the money.

Ghana presents the Reagan administration with a dilemma unique in Africa. For years, the administration has been haranguing African governments to abandon their top-heavy, inefficient, corruption-riddled brand of socialism and adopt an American-style free-market economy that gives incentives to the creators of wealth, who in Africa are mostly farmers.

Reagan, in a statement issued in May for the opening of a special United Nations session on Africa's economic crisis, lavished praise on countries that have adopted policies to "release the energies of their indigenous private sectors."

According to an official of the U.S. Agency for International Development, no country in Africa has been more vigorous and single-minded in its pursuit of Reagan's economic ideals than Ghana. Western diplomats here say it has courageously fended off urban discontent while devaluing its money nine times, laying off 28,000 government workers and dramatically hiking producer prices.

Yet, said one western diplomat, "Ghana goes out of its way to spit on the United States and kick it in the shins."

When U.S. warplanes bombed Libya in April, Ghana's government gave everyone here in Accra the day off and urged them to march on the U.S. Embassy. At an emergency meeting of the U.N. Security Council, Ghana's representative launched a vitriolic attack on U.S. "imperialism." In a subsequent U.N. debate over U.S. funding of the anti-Sandinista rebels in Nicaragua, Ghana took center stage in condemning the Reagan administration.

Last month, The Ghanaian Times, a government-owned newspaper, announced on its front page that the government had banned all mass-media advertising for the largest U.S.-funded aid project here, a \$7 million program for distributing contraceptives.

"The Ghanaians are shooting themselves in the foot every morning, as far as U.S. support is concerned," said a western diplomat here.

At a Paris meeting last fall of major donors to Ghana's economic recovery program, the U.S. government pledged \$23 million in aid for 1986. But attitudes shifted, and officials say now that only \$14 million will be spent this year. It is understood here that aid next year is likely to be cut even more sharply.

Part of Ghana's costly anger at the U.S. government grows out of last year's spy-vs.-spy episode in Accra. In the imbroglio, which featured a love affair between a cousin of Ghana's leader and a Virginia-born clerk for the CIA, it was disclosed that the U.S. government was operating a substantial intelligence-gathering network in this country.

Diplomats and businessmen were puzzled as to why the U.S. government would run an extensive spy operation in an impoverished nation of 14 million people.

The spy ring became public knowledge last year with the U.S. arrest of the CIA clerk, Sharon Scranage. She was convicted of having passed classified documents and names of U.S. agents to her Ghanaian lover, Michael Soussoudis, a cousin of Ghana's military leader, Flight Lt. Jerry Rawlings.

Sources here said that Soussoudis, well-known as a ladies' man in Accra, was dispatched by the Rawlings government to seduce the American clerk and find out what the CIA was up to. Soussoudis was nabbed by the FBI at a Holiday Inn in Springfield, Va., and later sentenced to 20 years in prison for spying. After the conviction, the government agreed to a spy swap.

Soussoudis was sent back to Ghana and, in return, eight Ghanaian nationals who had been CIA informants were allowed to leave the country. The affair might have ended amicably at that point, according to sources here, had not a Justice Department spokesman in Washington announced the swap to the press. The Ghanaian government reportedly had been promised it would be kept quiet.

Diplomats say Ghana was embarrassed internationally for being seen to have traded eight U.S. spies for just one Ghanaian spy. So last Thanksgiving, Ghana expelled four U.S. diplomats without explanation. The United States then expelled four Ghanaian diplomats and announced it was reviewing all aid to Ghana.

While the State Department continues to be annoyed by Ghana's rhetoric and its international posturing, a number of international economists and political observers here say there are sound domestic political reasons why Ghana embraces Reaganite economics and Castro-style foreign policy.

Rawlings' five-year-old government has been split between two influential factions: economic pragmatists and Marxist revolutionaries. The pragmatists were looking for a way to reverse Ghana's 25-year economic nose dive, which had taken it from being one of Africa's richer countries to one in virtual bankruptcy. The country turned to the International Monetary Fund and the World Bank in 1982, after being turned down for help by the Soviet Union in 1981, according to senior government officials.

- The IMF and the World Bank launched a \$1.5 billion reform program, which in three years has sharply improved the economy.

The radical foreign policy was a balancing method meant to keep the Marxists in Rawlings' government happy, according to several diplomats.

"The Marxists are important and powerful in this government. To keep them satisfied, they have been thrown the bone of foreign policy," said a western diplomat here, whose view is shared by several international economists. "Radical foreign policy takes the edge off Ghana's having to do business with the IMF."